



2021

Half-year results
Financial summary

Key figures

Financial Review

For the six months ended 30 June

in millions of Swiss francs except earnings per share data	2021	2020
Sales	3,373	3,221
Gross profit	1,480	1,359
as % of sales	43.9%	42.2%
EBITDA^a	809	734
as % of sales	24.0%	22.8%
Operating income	613	532
as % of sales	18.2%	16.5%
Income attributable to non-controlling interests	-	-
Income attributable to equity holders of the parent	481	413
as % of sales	14.3%	12.8%
Earnings per share - basic (CHF)	52.19	44.81
Earnings per share - diluted (CHF)	51.78	44.48
Operating cash flow^b	415	389
as % of sales	12.3%	12.1%
Free cash flow^c	186	178
as % of sales	5.5%	5.5%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

b) After careful consideration with the Group auditors, the Group has determined that purchase and sale of own equity instruments relates to financing activities and has been reclassified from cash flows from (for) operating activities into cash flows from (for) financing activities.

c) Free Cash Flow refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments.

Key figures

Group

For the six months ended 30 June

in millions of Swiss francs	2021	2020
Sales to third parties	3,373	3,221
EBITDA^a	809	734
as % of sales	24.0%	22.8%
One off items	(8)	(28)
Comparable EBITDA	817	762
as % of sales	24.2%	23.7%
Operating income	613	532
as % of sales	18.2%	16.5%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

Taste & Wellbeing

For the six months ended 30 June

in millions of Swiss francs	2021	2020
Sales to third parties	1,809	1,765
EBITDA^a	434	401
as % of sales	24.0%	22.7%
One off items	(5)	(20)
Comparable EBITDA	439	421
as % of sales	24.3%	23.8%
Operating income	312	268
as % of sales	17.3%	15.2%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

Fragrance & Beauty

For the six months ended 30 June

in millions of Swiss francs	2021	2020
Sales to third parties	1,564	1,456
EBITDA^a	375	333
as % of sales	24.0%	22.9%
One off items	(3)	(8)
Comparable EBITDA	378	341
as % of sales	24.2%	23.4%
Operating income	301	264
as % of sales	19.2%	18.2%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

Consolidated financial statements

Consolidated Income Statement

For the six months ended 30 June

in millions of Swiss francs, except for earnings per share data	2021	2020
Sales	3,373	3,221
Cost of sales	(1,893)	(1,862)
Gross profit	1,480	1,359
as % of sales	43.9%	42.2%
Selling, marketing and distribution expenses	(453)	(412)
Research and product development expenses	(277)	(261)
Administration expenses	(116)	(104)
Share of results of joint ventures and associates	2	3
Other operating income	12	11
Other operating expense	(35)	(64)
Operating income	613	532
as % of sales	18.2%	16.5%
Financing costs	(46)	(39)
Other financial income (expense), net	(1)	(13)
Income before taxes	566	480
Income taxes	(85)	(67)
Income for the period	481	413
Attribution		
Income attributable to non-controlling interests	–	–
Income attributable to equity holders of the parent	481	413
as % of sales	14.3%	12.8%
Earnings per share – basic (CHF)	52.19	44.81
Earnings per share – diluted (CHF)	51.78	44.48

Consolidated Statement of Comprehensive Income

For the six months ended 30 June

in millions of Swiss francs	2021	2020
Income for the period	481	413
Items that may be reclassified to the income statement		
Cash flow hedges		
Movement in fair value, net	55	(58)
Gains (losses) removed from equity and recognised in the consolidated income statement	4	3
Movement on income tax	(5)	7
Exchange differences arising on translation of foreign operations		
Movement in fair value arising on hedging instruments of the net assets in foreign operations	(42)	46
Change in currency translation	224	(340)
Movement on income tax	2	(2)
Items that will not be reclassified to the income statement		
Defined benefit pension plans		
Remeasurement gains (losses) of post employment benefit obligations	124	39
Movement on income tax	(18)	(2)
Other comprehensive income for the period	344	(307)
Total comprehensive income for the period	825	106
Attribution		
Total comprehensive income attributable to non-controlling interests	–	–
Total comprehensive income attributable to equity holders of the parent	825	106

Consolidated financial statements

Consolidated Statement of Financial Position

in millions of Swiss francs	30 June 2021	31 December 2020
Assets		
Cash and cash equivalents	306	411
Derivative financial instruments	23	54
Financial assets at fair value through income statement	4	4
Accounts receivable - trade	1,565	1,359
Inventories	1,396	1,201
Current tax assets	61	66
Prepayments	65	50
Other current assets	186	154
Current assets	3,606	3,299
Derivative financial instruments	63	65
Property, plant and equipment	2,260	2,222
Intangible assets	4,614	4,543
Deferred tax assets	204	218
Post-employment benefit plan assets	24	20
Financial assets at fair value through income statement	294	180
Interests in joint ventures and investments in associates	39	35
Other non-current assets	238	76
Non-current assets	7,736	7,359
Total assets	11,342	10,658

in millions of Swiss francs	30 June 2021	31 December 2020
Liabilities and equity		
Short-term debt	727	206
Derivative financial instruments	52	49
Accounts payable - trade and others	870	809
Accrued payroll & payroll taxes	179	211
Current tax liabilities	158	157
Financial liability - own equity instruments	173	108
Provisions	24	23
Other current liabilities	231	233
Current liabilities	2,414	1,796
Derivative financial instruments	63	103
Long-term debt	4,306	4,245
Provisions	73	71
Post-employment benefit plan liabilities	432	545
Deferred tax liabilities	309	310
Other non-current liabilities	79	80
Non-current liabilities	5,262	5,354
Total liabilities	7,676	7,150
Share capital	92	92
Retained earnings and reserves	6,025	6,133
Own equity instruments	(242)	(168)
Other components of equity	(2,223)	(2,567)
Equity attributable to equity holders of the parent	3,652	3,490
Non-controlling interests	14	18
Total equity	3,666	3,508
Total liabilities and equity	11,342	10,658

Consolidated financial statements

Consolidated Statement of Changes in Equity

For the six months ended 30 June

2021 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non-controlling interests	Total equity
Balance as at 1 January	92	6,133	(168)	(148)	(1,935)	(484)	3,490	18	3,508
Income for the period		481					481	-	481
Other comprehensive income for the period				54	184	106	344		344
Total comprehensive income for the period		481		54	184	106	825	-	825
Dividends paid		(589)					(589)		(589)
Movement on own equity instruments, net			(74)				(74)		(74)
Non-controlling interests								(4)	(4)
Net change in other equity items		(589)	(74)				(663)	(4)	(667)
Balance as at 30 June	92	6,025	(242)	(94)	(1,751)	(378)	3,652	14	3,666

2020 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non-controlling interests	Total equity
Balance as at 1 January	92	5,961	(168)	(107)	(1,613)	(525)	3,640	19	3,659
Income for the period		413					413	-	413
Other comprehensive income for the period				(48)	(296)	37	(307)		(307)
Total comprehensive income for the period		413		(48)	(296)	37	106	-	106
Dividends paid		(571)					(571)		(571)
Movement on own equity instruments, net			(30)				(30)		(30)
Non-controlling interests								(1)	(1)
Net change in other equity items		(571)	(30)				(601)	(1)	(602)
Balance as at 30 June	92	5,803	(198)	(155)	(1,909)	(488)	3,145	18	3,163

Consolidated financial statements

Consolidated Statement of Cash Flows

For the six months ended 30 June

in millions of Swiss francs	2021	2020
Income for the period	481	413
Income tax expense	85	67
Interest expense	43	38
Non-operating income and expense	4	14
Operating income	613	532
Depreciation of property, plant and equipment	101	100
Amortisation of intangible assets	95	91
Impairment of long-lived assets	-	11
Other non-cash items		
- share-based payments	43	24
- pension expense	22	24
- additional and unused provisions, net	7	10
- other non-cash items	14	-
Adjustments for non-cash items	282	260
(Increase) decrease in inventories	(162)	(184)
(Increase) decrease in accounts receivable	(162)	(170)
(Increase) decrease in other current assets	(42)	11
Increase (decrease) in accounts payable	74	100
Increase (decrease) in other current liabilities	(50)	(80)
(Increase) decrease in working capital	(342)	(323)
Income taxes paid	(107)	(54)
Pension contributions paid	(25)	(17)
Provisions used	(6)	(9)
Cash flows from (for) operating activities	415	389

in millions of Swiss francs	2021	2020
Increase in long-term debt	-	1,260
(Decrease) in long-term debt	(1)	(781)
Increase in short-term debt	760	2,616
(Decrease) in short-term debt	(247)	(2,091)
Cash flows from debt, net	512	1,004
Interest paid	(32)	(14)
Purchase and sale of derivative financial instruments, net	(1)	(15)
Lease payments	(25)	(28)
Transactions of non-controlling interest	(4)	(1)
Others, net	(3)	(8)
Cash flows from financial liabilities	447	938
Distribution to the shareholders paid	(589)	(571)
Purchase and sale of own equity instruments, net	(52)	(30)
Cash flows from (for) financing activities	(194)	337
Acquisition of property, plant and equipment	(83)	(123)
Acquisition of intangible assets	(41)	(19)
Acquisition of subsidiary, net of cash acquired	(1)	(614)
Proceeds from the disposal of property, plant and equipment	4	1
Proceeds from sales of intangible assets	-	2
Interest received	3	3
Purchase and sale of financial assets at fair value through income statement, net	(89)	-
Impact of financial transactions on investing, net	22	24
Others, net	(150)	1
Cash flows from (for) investing activities	(335)	(725)
Net increase (decrease) in cash and cash equivalents	(114)	1
Net effect of currency translation on cash and cash equivalents	9	(21)
Cash and cash equivalents at the beginning of the period	411	452
Cash and cash equivalents at the end of the period	306	432